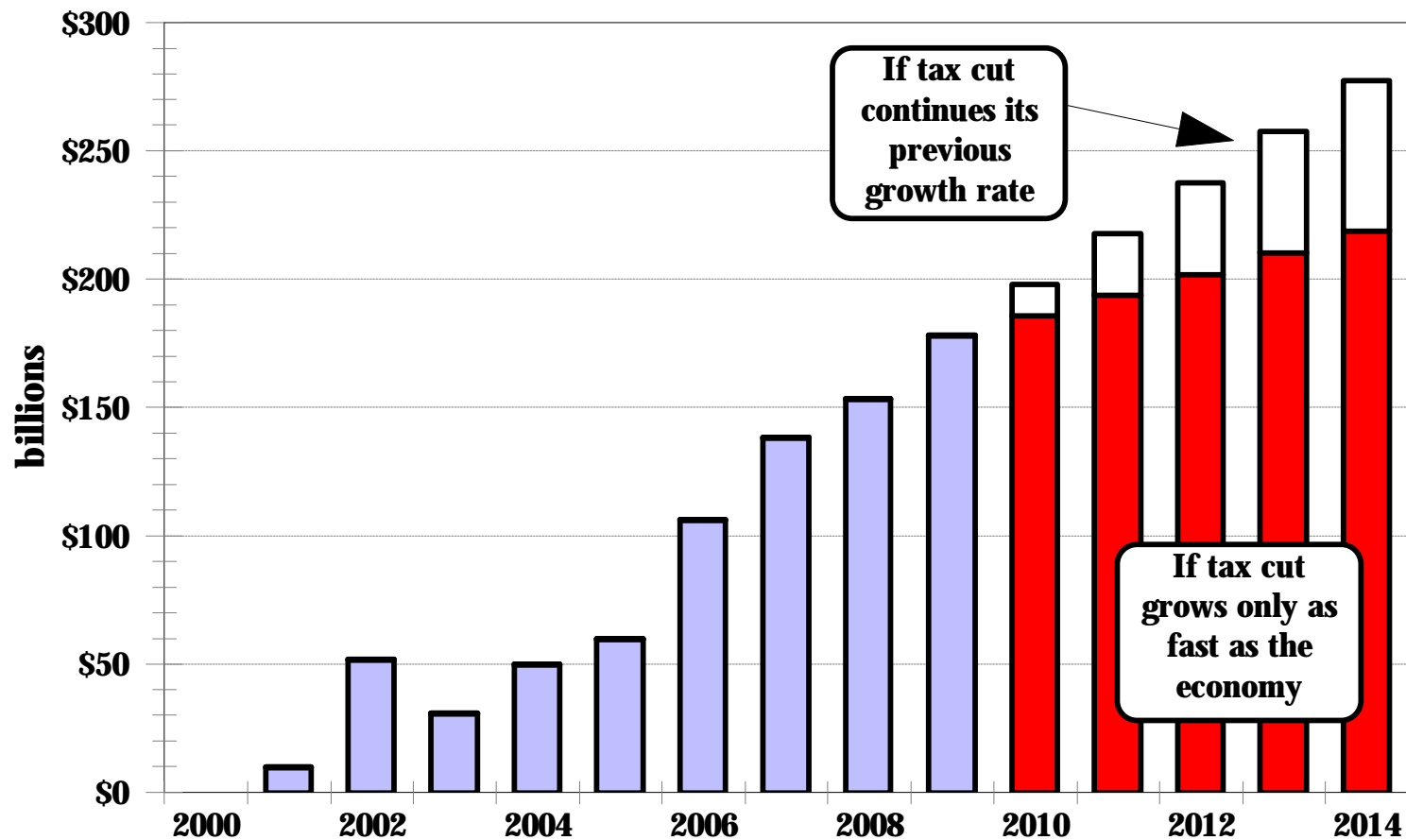


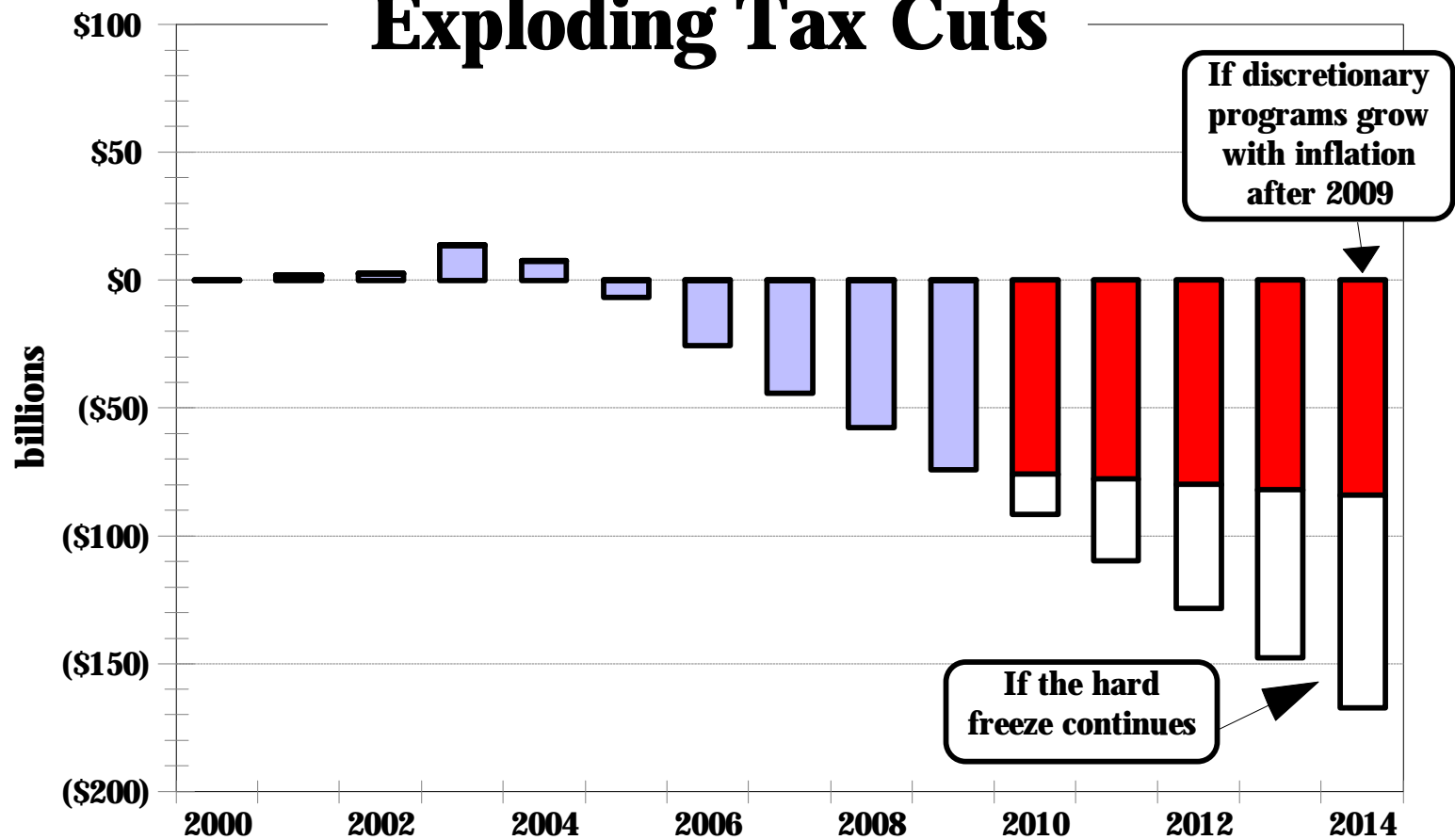
Appendix

Republican Tax Cuts explode in cost



Extrapolations by HBC Democratic Staff

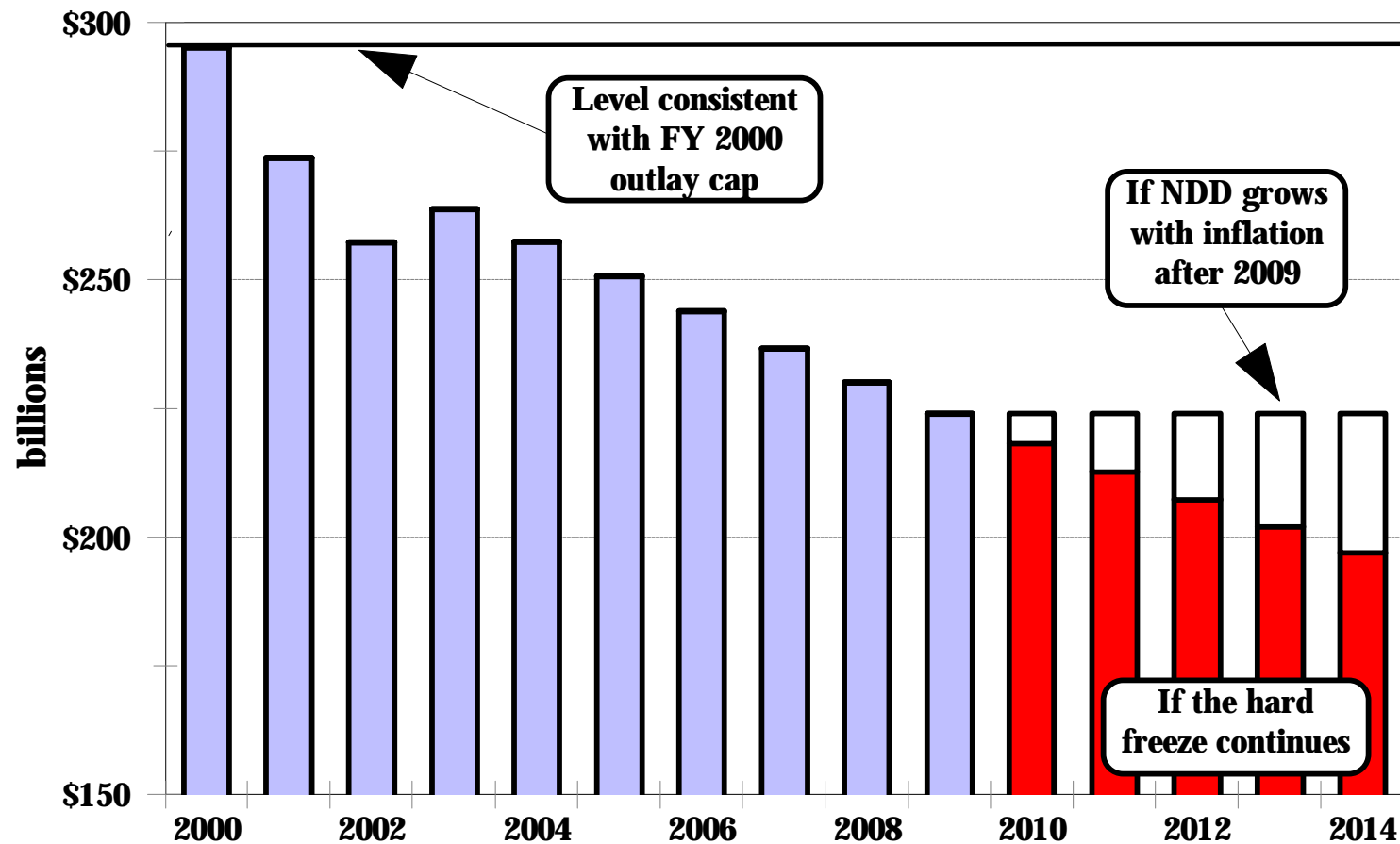
Deep Republican Program Cuts Cover Only Part of Their Exploding Tax Cuts



Extrapolations by HBC Democratic Staff

Republican Plan:

Non-Defense Discretionary Spending In Constant FY 2000 Dollars



Extrapolations by HBC Democratic Staff

TOTAL BUDGET
CONFERENCE AGREEMENT ON REPUBLICAN BUDGET RESOLUTION
(In billions of dollars)

	2000	2001	2002	2003	2004	5 Yr. Total
Budget Authority	1,753.8	1,795.2	1,836.4	1,921.3	1,988.2	9,294.8
Outlays	1,735.2	1,774.3	1,804.2	1,893.7	1,959.0	9,166.4
Revenues	1,876.1	1,922.6	1,961.1	2,058.8	2,134.8	9,953.4
Surplus(+)/Deficit(-)	140.9	148.3	156.8	165.1	175.8	787.0
050 National Defense						
Budget authority	288.8	303.6	308.2	318.3	327.2	1,546.0
Outlays	276.6	285.9	291.7	303.6	313.5	1,471.3
150 International Affairs						
Budget authority	12.5	11.7	10.9	12.6	14.0	61.7
Outlays	14.9	15.2	14.6	14.0	13.7	72.3
250 General Science, Space						
Budget authority	18.0	17.9	17.9	17.9	17.9	89.6
Outlays	18.2	17.9	17.9	17.8	17.8	89.6
270 Energy						
Budget authority	0.0	(1.4)	(0.2)	(0.1)	(0.3)	(2.0)
Outlays	(0.7)	(3.1)	(1.1)	(1.2)	(1.4)	(7.5)
300 Natural Resources and Environment						
Budget authority	22.8	21.8	21.6	22.5	23.0	111.7
Outlays	22.6	21.9	21.2	22.6	23.0	111.3
350 Agriculture						
Budget authority	14.3	13.5	11.8	12.0	12.1	63.7
Outlays	13.2	11.3	10.0	10.3	10.5	55.3
370 Commerce and Housing Credit						
Budget authority	9.5	10.3	13.8	14.5	13.9	62.0
Outlays	4.1	5.4	9.5	10.9	10.4	40.4
400 Transportation						
Budget authority	51.8	51.0	50.8	52.3	52.3	258.2
Outlays	45.8	47.7	47.3	46.8	46.3	233.8
450 Community and Regional Development						
Budget authority	6.4	4.0	3.6	3.9	3.8	21.7
Outlays	10.5	8.3	5.9	4.5	3.8	33.0
500 Education and Training						
Budget authority	66.3	66.0	66.5	71.0	73.3	343.1
Outlays	63.8	64.6	64.8	67.5	70.2	330.8
550 Health						
Budget authority	156.2	164.1	173.3	184.7	197.9	876.2
Outlays	153.0	162.4	173.8	185.3	198.5	872.9
570 Medicare						
Budget authority	208.7	222.1	230.6	250.7	268.6	1,180.7
Outlays	208.7	222.3	230.2	250.9	268.7	1,180.8
600 Income Security						
Budget authority	244.4	250.5	263.0	276.4	286.1	1,320.3
Outlays	248.1	257.0	266.6	276.2	285.5	1,333.4
650 Social Security						
Budget authority	407.2	426.0	445.9	467.0	489.8	2,235.9
Outlays	407.3	426.0	445.9	467.0	489.7	2,235.9
700 Veterans						
Budget authority	45.4	44.3	44.7	45.9	46.2	226.6
Outlays	45.6	45.0	45.1	46.4	46.7	228.8
750 Administration of Justice						
Budget authority	23.4	24.7	24.7	24.6	26.2	123.5
Outlays	25.3	25.1	24.9	24.4	26.1	125.9
800 General Government						
Budget authority	12.3	11.9	12.1	12.1	12.1	60.5
Outlays	13.5	12.6	12.3	12.2	12.2	62.7
900 Net Interest						
Budget authority	217.7	207.1	196.4	186.5	176.6	984.3
Outlays	217.7	207.1	196.4	186.5	176.6	984.3
920 Allowances						
Budget authority	(9.8)	(8.5)	(6.4)	(4.4)	(4.5)	(33.6)
Outlays	(10.8)	(12.9)	(20.0)	(4.8)	(5.0)	(53.5)
950 Undistributed Offsetting Receipts						
Budget authority	(42.3)	(45.3)	(52.8)	(46.9)	(47.8)	(235.1)
Outlays	(42.3)	(45.3)	(52.8)	(46.9)	(47.8)	(235.1)

Note: Numbers may not add exactly due to rounding.

	2005	2006	2007	2008	2009	Second 5	10 Yr. Total
Budget Authority	2,056.1	2,102.8	2,173.9	2,252.7	2,334.3	10,919.8	20,214.7
Outlays	2,029.1	2,072.4	2,137.7	2,220.0	2,301.4	10,760.6	19,926.9
Revenues	2,225.1	2,283.3	2,363.9	2,459.8	2,549.8	11,881.9	21,835.5
Surplus(+)/Deficit(-)	196.0	210.8	226.3	239.8	248.5	1,121.3	1,908.6
050 National Defense							
Budget authority	328.4	329.6	330.9	332.2	333.5	1,654.6	3,200.5
Outlays	316.7	315.1	313.7	317.1	318.0	1,580.6	3,051.9
150 International Affairs							
Budget authority	14.2	14.4	14.4	14.5	14.5	72.0	133.6
Outlays	13.4	13.1	12.9	12.7	12.6	64.7	136.9
250 General Science, Space							
Budget authority	17.9	17.9	17.9	17.9	17.9	89.5	179.2
Outlays	17.8	17.8	17.8	17.8	17.8	89.0	178.4
270 Energy							
Budget authority	(0.4)	(0.5)	(0.5)	(0.2)	(0.1)	(1.7)	(3.6)
Outlays	(1.5)	(1.5)	(1.4)	(1.1)	(1.1)	(6.6)	(14.1)
300 Natural Resources and Environment							
Budget authority	23.0	23.1	23.2	23.2	23.5	116.0	227.7
Outlays	22.9	23.0	22.9	22.9	23.2	114.9	226.2
350 Agriculture							
Budget authority	10.6	10.6	10.7	10.8	10.9	53.6	117.2
Outlays	9.9	9.1	9.1	9.2	9.2	46.5	101.7
370 Commerce and Housing Credit							
Budget authority	12.7	12.6	12.7	12.6	13.4	64.0	126.0
Outlays	9.4	9.1	8.9	8.5	8.8	44.7	85.1
400 Transportation							
Budget authority	52.3	52.3	52.4	52.4	52.4	261.8	520.1
Outlays	46.1	46.0	46.0	46.1	46.1	230.3	464.1
450 Community and Regional Development							
Budget authority	3.8	3.8	3.8	3.8	3.8	19.0	40.7
Outlays	3.0	2.7	2.6	2.5	2.5	13.3	46.3
500 Education and Training							
Budget authority	74.1	74.9	75.8	76.8	76.7	378.3	721.3
Outlays	72.7	73.8	74.7	75.7	75.7	372.6	703.5
550 Health							
Budget authority	212.8	228.4	246.3	265.2	285.5	1,238.2	2,114.4
Outlays	212.6	228.3	245.5	264.4	284.9	1,235.7	2,108.6
570 Medicare							
Budget authority	295.6	306.8	337.6	365.6	394.1	1,699.7	2,880.3
Outlays	295.2	306.9	337.8	365.2	394.2	1,699.3	2,880.1
600 Income Security							
Budget authority	298.4	304.7	310.5	323.8	334.1	1,571.5	2,891.8
Outlays	298.4	305.1	311.4	325.3	335.6	1,575.8	2,909.2
650 Social Security							
Budget authority	514.6	540.9	568.7	599.0	633.6	2,856.8	5,092.7
Outlays	514.5	540.8	568.7	599.0	633.6	2,856.6	5,092.6
700 Veterans							
Budget authority	48.8	47.3	47.8	48.5	49.1	241.5	468.0
Outlays	49.3	47.8	46.2	49.0	49.7	242.0	470.8
750 Administration of Justice							
Budget authority	26.3	26.4	26.4	26.5	26.5	132.1	255.5
Outlays	26.2	26.2	26.3	26.3	26.4	131.4	257.4
800 General Government							
Budget authority	12.1	12.1	12.2	12.2	12.2	60.8	121.2
Outlays	11.9	11.8	11.9	12.1	11.9	59.6	122.3
900 Net Interest							
Budget authority	165.4	153.7	142.0	128.9	115.6	705.6	1,689.9
Outlays	165.4	153.7	142.0	128.9	115.6	705.6	1,689.9
920 Allowances							
Budget authority	(4.5)	(4.6)	(5.2)	(5.3)	(5.3)	(24.9)	(58.6)
Outlays	(5.1)	(5.2)	(5.8)	(5.9)	(5.9)	(27.9)	(81.3)
950 Undistributed Offsetting Receipts							
Budget authority	(49.8)	(51.4)	(53.6)	(55.6)	(57.6)	(268.0)	(503.1)
Outlays	(49.8)	(51.4)	(53.6)	(55.6)	(57.6)	(268.0)	(503.1)

Note: Numbers may not add exactly due to rounding.

DISCRETIONARY TOTALS
CONFERENCE AGREEMENT ON REPUBLICAN BUDGET RESOLUTION
(In billions of dollars)

	2000	2001	2002	2003	2004	5 Yr. Total
Total Discretionary						
Budget Authority	536.3	541.3	550.4	570.2	582.2	2,780.4
Outlays	570.9	571.0	567.0	592.8	603.1	2,904.8
Non-defense discretionary						
Budget Authority	246.3	236.6	241.1	250.9	254.1	1,229.0
Outlays	293.2	283.9	274.2	288.1	288.6	1,428.0
050 National Defense						
Budget authority	290.0	304.8	309.3	319.4	328.1	1,551.5
Outlays	277.8	287.1	292.8	304.7	314.4	1,476.8
150 International Affairs						
Budget authority	17.7	16.4	16.1	16.0	16.4	82.7
Outlays	18.5	18.8	18.0	17.3	16.9	89.5
250 General Science, Space						
Budget authority	17.9	17.9	17.9	17.9	17.9	89.4
Outlays	18.2	17.8	17.8	17.7	17.7	89.3
270 Energy						
Budget authority	1.8	0.5	1.9	1.9	1.9	8.0
Outlays	2.6	0.8	2.0	1.9	1.9	9.3
300 Natural Resources and Environment						
Budget authority	22.0	21.3	21.1	22.0	22.5	109.0
Outlays	21.9	21.2	20.8	22.1	22.6	108.7
350 Agriculture						
Budget authority	3.9	3.7	3.7	3.6	3.6	18.6
Outlays	4.0	3.8	3.7	3.6	3.6	18.7
370 Commerce and Housing Credit						
Budget authority	3.5	2.1	1.7	1.8	1.8	11.0
Outlays	3.7	2.2	1.7	1.8	1.7	11.2
400 Transportation						
Budget authority	12.2	11.9	11.3	11.2	11.2	57.9
Outlays	43.4	45.4	45.8	44.9	44.5	223.9
450 Community and Regional Development						
Budget authority	6.4	4.1	3.7	3.8	3.8	21.7
Outlays	10.9	8.8	6.4	5.1	4.3	35.5
500 Education and Training						
Budget authority	51.1	50.6	51.3	54.3	56.3	263.7
Outlays	48.5	48.8	49.7	51.2	53.6	251.8
550 Health						
Budget authority	29.3	27.9	27.7	27.5	27.3	139.7
Outlays	28.3	27.4	27.3	27.2	26.9	137.1
570 Medicare						
Budget authority	3.0	3.0	3.0	3.0	3.0	14.9
Outlays	3.0	3.0	3.0	3.0	3.0	14.9
600 Income Security						
Budget authority	28.7	27.9	30.3	34.6	35.2	156.6
Outlays	39.4	39.4	39.4	39.3	39.4	196.9
650 Social Security						
Budget authority	3.2	3.2	3.2	3.2	3.2	15.8
Outlays	3.3	3.1	3.1	3.1	3.1	15.9
700 Veterans						
Budget authority	20.9	19.1	19.0	19.0	19.0	97.1
Outlays	20.9	19.5	19.1	19.1	19.0	97.7
750 Administration of Justice						
Budget authority	23.1	24.4	24.4	24.4	24.4	120.8
Outlays	25.1	25.0	24.8	24.4	24.4	123.7
800 General Government						
Budget authority	11.4	11.0	11.1	11.1	11.1	55.6
Outlays	12.3	11.7	11.4	11.2	11.0	57.5
920 Allowances						
Budget authority	(9.8)	(8.5)	(6.4)	(4.4)	(4.5)	(33.6)
Outlays	(10.8)	(12.9)	(20.0)	(4.8)	(5.0)	(53.5)
950 Undistributed Offsetting Receipts						
Budget authority	0.0	0.0	0.0	0.0	0.0	0.0
Outlays	0.0	0.0	0.0	0.0	0.0	0.0

Note: Numbers may not add exactly due to rounding.

	2005	2006	2007	2008	2009	Second 5	10 Yr. Total
Total Discretionary							
Budget Authority	583.4	584.6	585.4	586.6	588.1	2,928.1	5,708.5
Outlays	606.6	604.6	602.3	605.4	606.4	3,025.3	5,930.1
Non-defense discretionary							
Budget Authority	254.1	254.1	253.6	253.6	253.7	1,269.1	2,498.1
Outlays	289.0	288.6	287.7	287.5	287.5	1,440.3	2,868.3
050 National Defense							
Budget authority	329.3	330.5	331.8	333.1	334.3	1,659.0	3,210.5
Outlays	317.6	316.0	314.6	318.0	318.9	1,585.1	3,062.0
150 International Affairs							
Budget authority	16.3	16.2	16.0	15.9	15.8	80.2	162.8
Outlays	16.5	16.2	16.0	15.8	15.7	80.2	169.6
250 General Science, Space							
Budget authority	17.9	17.9	17.9	17.9	17.9	89.5	178.8
Outlays	17.7	17.7	17.7	17.7	17.7	88.5	178.0
270 Energy							
Budget authority	1.9	1.9	1.9	1.9	1.9	9.5	17.5
Outlays	1.9	1.9	1.9	1.9	1.9	9.5	18.9
300 Natural Resources and Environment							
Budget authority	22.6	22.6	22.7	22.7	22.7	113.3	222.3
Outlays	22.6	22.6	22.5	22.5	22.6	112.8	221.5
350 Agriculture							
Budget authority	3.6	3.6	3.6	3.6	3.6	18.0	36.8
Outlays	3.6	3.6	3.6	3.6	3.6	18.0	36.7
370 Commerce and Housing Credit							
Budget authority	1.8	1.8	1.8	1.8	2.8	10.0	20.9
Outlays	1.7	1.7	1.8	1.7	2.7	9.6	20.7
400 Transportation							
Budget authority	11.2	11.2	11.2	11.2	11.2	56.0	113.9
Outlays	44.3	44.3	44.3	44.3	44.3	221.5	445.4
450 Community and Regional Development							
Budget authority	3.8	3.8	3.8	3.8	3.8	19.0	40.7
Outlays	3.6	3.3	3.2	3.1	3.1	16.3	51.8
500 Education and Training							
Budget authority	56.3	56.3	56.3	56.3	55.2	280.4	544.1
Outlays	55.5	55.9	55.9	55.9	54.9	278.1	530.0
550 Health							
Budget authority	27.0	26.7	26.4	26.1	25.8	132.0	271.7
Outlays	26.6	26.3	26.0	25.7	25.4	130.0	267.1
570 Medicare							
Budget authority	3.0	3.0	3.0	3.0	3.0	15.0	29.9
Outlays	3.0	3.0	3.0	3.0	3.0	15.0	29.8
600 Income Security							
Budget authority	35.7	36.2	36.7	37.2	37.9	183.7	340.3
Outlays	39.7	40.0	40.4	40.9	41.4	202.4	399.3
650 Social Security							
Budget authority	3.2	3.2	3.2	3.2	3.2	16.0	31.6
Outlays	3.1	3.1	3.1	3.1	3.1	15.5	31.6
700 Veterans							
Budget authority	19.0	18.9	18.9	18.9	18.9	94.6	191.7
Outlays	18.9	18.9	18.8	18.8	18.8	94.2	191.9
750 Administration of Justice							
Budget authority	24.4	24.3	24.3	24.3	24.3	121.6	242.3
Outlays	24.4	24.3	24.3	24.3	24.3	121.6	245.3
800 General Government							
Budget authority	11.1	11.1	11.1	11.1	11.1	55.5	111.3
Outlays	10.9	10.9	10.9	10.9	10.9	54.5	112.0
920 Allowances							
Budget authority	(4.5)	(4.6)	(5.2)	(5.3)	(5.3)	(24.9)	(58.6)
Outlays	(5.1)	(5.2)	(5.8)	(5.9)	(5.9)	(27.9)	(81.3)
950 Undistributed Offsetting Receipts							
Budget authority	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outlays	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: Numbers may not add exactly due to rounding.



SOCIAL SECURITY

March 12, 1999

The Honorable Richard A. Gephardt
House of Representatives
Washington, D.C. 20515

Dear Mr. Gephardt:

This letter addresses the potential long-range financial effects on the OASDI program of "locking away" the annual increases in the Social Security Trust Funds, as proposed by Republican leaders in the Senate and the House on March 10, 1999. The proposal would require that annual increases in the OASI and DI Trust Funds would be used solely to purchase long-term special issue U.S. government bonds. In addition, the proposal would require that the revenue used for the purchase of these bonds would in turn be used solely for the purpose of reducing Federal debt held by the public. Of course, the net change in the Federal debt held by the public in any year would also be affected by the size of any on-budget deficit or surplus for that year.

The proposal would not have any significant effect on the long-range solvency of the OASDI program under the intermediate assumptions of the 1998 Trustees Report. Thus, the estimated long-range actuarial deficit of 2.19 percent of taxable payroll and the year of the combined trust funds' exhaustion (2032) would not change. The first year in which estimated outgo will exceed estimated tax income would not be affected and would therefore remain at 2013.

Any plan that reduces the amount of Federal debt held by the public may make later redemption by the Trust Funds of special issue U.S. government bonds easier.

Sincerely,

Harry C. Ballantyne
Chief Actuary